



ENTERED  
12/08/2008

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

IN RE:  
ALPHA RED, INC.  
Debtor(s)

§  
§ CASE NO: 08-37782  
§  
§ CHAPTER 11

**ORDER**  
**DETERMINING JURISDICTION**  
**AUTHORIZING PAYMENT OF SALARIES (DOC # 5)**  
**EXTENDING THE DEADLINE FOR FILING SCHEDULES, ETC. (DOC # 6)**  
**AUTHORIZING THE USE OF CASH COLLATERAL (DOC # 4)**  
**REQUIRING TURNOVER (DOC # 3)**  
**AND SETTING FURTHER HEARING**

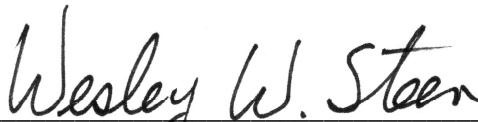
After hearing this date, for reasons assigned orally on the record under authority of FRBP 7052,  
IT IS ORDERED THAT:

1. The Court has raised the issue of the Receiver's authority to sign and to file a bankruptcy petition and whether a case has been properly commenced to give the Court subject matter jurisdiction. The Court concludes that the case was effectively commenced and that it has subject matter jurisdiction.
2. Debtor is authorized to pay AcroNOC, Inc. the sum due for pre-petition employee salaries in the approximate amount of \$20,000.
3. The deadline for filing bankruptcy schedules and statement of financial affairs (and related documents) is extended to December 31, 2008.
4. Debtor may use cash collateral to the extent provided in the budget that is attached to the motion to use cash collateral, which is exhibit 1 to docket # 4 in this case.
5. Douglas Brickley, the state court receiver, is ordered to turn over all property of the estate to the chapter 11 trustee who will be appointed in this case.

The Court has signed a separate order directing the US Trustee to appoint a chapter 11 trustee.

At the hearing, the Court had set a continued hearing on (i) Debtor's ability to fund post-petition activities out of cash available from operations (and the possibility of pending administrative insolvency), (ii) further extension of the deadline to file schedules and a statement of financial affairs, and (iii) a case management order setting a deadline for filing a plan and disclosure statement and procedures for emergency sale of the business. At the hearing, the Court announced the date of that hearing as December 29, 2008, at 9:30 AM. **THE HEARING IS RESCHEDULED TO DECEMBER 19, 2008, AT 2:00 PM.**

**SIGNED 12/08/2008.**

  
Wesley W. Steen  
United States Bankruptcy Judge